

Tuesday 07 August 2007

Second quarter 2007 report to shareholders

London, 7 August 2007 - Serica Energy plc (TSX Venture & AIM: SQZ) today announces its financial results for the three and six months ended 30 June 2007. The highlights are included below and full results and associated Management Discussion and Analysis are available [here](#) and at www.sedar.com

H1 2007 Highlights

Operational

- Construction of the Kambuna Field offshore facilities progresses towards 2008 production start-up in Indonesia
- Exploration portfolio and prospects increased significantly with new prospective licences awarded in the UK, Norway, Indonesia and Vietnam
- Farmed-out a percentage of the Company`s interest in the Biliton Block, in line with a strategy to spread exploration risk and manage costs whilst continuing to build the portfolio

Financial and Corporate

- Net Current Assets at the half year stood at US\$66 million
- US \$100 million debt facility arranged with JP Morgan Chase and Bank of Scotland to fund appraisal and development activities in Indonesia, UK and Norway
- Ian Vann joined the board as a non-executive director, having recently retired from BP where he led the global exploration team
- Steven Theede joined the board as a non-executive director, having held several senior positions in Conoco and most recently served as Chief Executive of Yukos Oil Company

Forward Exploration, Appraisal and Development Programmes

- SEDCO 704 drilling rig will drill the first Columbus Field appraisal well in September 2007, three kilometres north of the Columbus discovery well
- In the Biliton PSC, two wildcat exploration wells are scheduled to be drilled in the fourth quarter of 2007
- The Kambuna Field wellhead support tower under construction in Balikpapan, Indonesia is scheduled to be installed in the fourth quarter of 2007
- Kambuna development drilling from the support tower will commence in the fourth quarter of 2007 with the drilling and workover of three wells
- An appraisal well in the Bream field, Norway, is due to be drilled in the second quarter of 2008
- In Vietnam the acquisition of a new 3D seismic survey in Block 06/94 is expected to begin in the third quarter of 2007
- In Indonesia a new 3D seismic survey will be acquired in the Kutai Block

Serica`s Chief Executive, Paul Ellis, commented:



'The first half of 2007 has been a relatively quiet period for Serica as we put into place the drilling and contractual arrangements for a significant increase in activities planned for the second half. Appraisal drilling on the Columbus field will commence in the next few weeks and we expect to take delivery of the well-head tower for the Kambuna field in the next quarter, enabling us to start drilling the field development wells immediately after installation.

'Serica also has significant exposure to exploration upside in the second half of 2007 with a 45 percent interest in two wildcat wells to be drilled by the Company in the Biliton Block in Indonesia. Serica`s costs in these wells are carried as a result of the farm-out agreement with Nations Petroleum. We will continue this exploration drilling with further wells planned in the UK and Norway in early 2008.

'Serica remains very focused on creating shareholder value through its exploration drilling and field appraisal and development programmes and I am very optimistic for the Company`s prospects'.

Enquiries

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